

WRIDGWAYS AUSTRALIA LIMITED

ACN: 079 887 728

August 26, 2004

Company Announcements Office
Australian Stock Exchange Limited

Re: Final Year Announcement Period ended 30th June 2004

It was pleasing to achieve a 16.1% increase in Sales Revenue from Operations and a 13.6 % increase in Net Profit After Tax, in what has continued to be a very competitive industry.

Sales Revenue from Operations of \$82.439 million was 16.1% up on last year's figure of \$71.001 million.

Net Profit After Tax increased by 13.6% to \$2.517 million a strong increase on the \$2.217 million last year.

Dividends

The Directors have resolved to declare a fully franked final Dividend of 3.0cents per share (2003 - 3.0cents). Shareholders will be aware that our interim Dividend of 2.0cents per share (previous year 1.5cents) was paid on the 19th March, 2004, bringing the total Dividend for the fiscal year to 5.0 cents per share (2003 - 4.5cents per share).

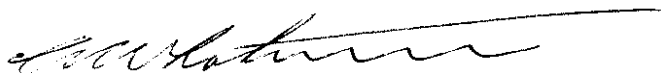
This Dividend will be payable on the 1st October, 2004 to Shareholders registered as such on the 24th September, 2004, and transfers will be received by the company until 5.00pm on that later date.

Outlook

In a difficult Removals industry environment, we are confident of being able to again improve our performance to achieve a further increase in revenue and profit in the current financial year.

Annual General Meeting

Shareholders will receive the Annual Report in late September and should note that the Annual General Meeting will be held on Friday 22nd October 2004. Full details will be in the Notice of Meeting accompanying the Annual Report.



A.W. Whatmore
Chairman

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Phone: (03) 9837 1700 Fax: 9872 4063
Email: moving@wridgways.com.au
PO Box 507, Ringwood, Melbourne, Victoria, 3134

Preliminary Final Report Of
Wridgways Australia Limited
for the Financial Year Ended 30 June 2004

ACN 079 887 728

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period: Financial Year ending 30 June 2004

Previous Corresponding Period: Financial Year ending 30 June 2003

Wridgways Australia Ltd

**Preliminary Final Report
For the Financial Year Ended 30 June 2004**

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Wridgways Australia Ltd

Preliminary Final Report For the Financial Year Ended 30 June 2004

Results For Announcement to the Market

Revenue and Net Profit

		Percentage Change %		Amount \$'000
Revenue from ordinary activities	up/down	16.1%	To	82,588
Profit from ordinary activities after tax attributable to members	up/down	13.6%	To	2,517
Net profit attributable to members	up/down	13.6%	To	2,517

Dividends (Distributions)

	Amount per security	Franked amount per security
Final dividend – payable 1 October 2004	3.0¢	3.0¢ (at 30% tax)
Interim dividend – paid 19 March 2004	2.0¢	2.0¢ (at 30% tax)

Record date for determining entitlements to the final dividend is

24 September 2004

Brief Explanation of Revenue, Net Profit and Dividends

Revenue from ordinary activities increased by 16.1% from \$71.123m to \$82.588m

Net Profit after Tax increased by 13.6% to \$2.517m

Final Dividend of 3.0 cents per share fully franked bringing total paid for the year to 5.0 cents per share fully franked (2003: 4.5 cents)

See commentary attached.

The attached Financial Statements and Directors Declaration have been audited.

Wridgways Australia Ltd

Preliminary Final Report For the Financial Year Ended 30 June 2004

Commentary on Results

It was pleasing to achieve a 16.1% increase in Sales Revenue from Operations and a 13.6 % increase in Net Profit After Tax, in what has continued to be a very competitive industry.

Sales Revenue from Operations of \$82.439 million was 16.1% up on last year's figure of \$71.001 million.

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Wridgways Australia Limited

ACN 079 887 728

**Annual Financial Report for the
Financial Year Ended 30 June 2004**

WRIDGWAYS AUSTRALIA LIMITED
ANNUAL FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

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WRIDGWAYS AUSTRALIA LIMITED

DIRECTORS' REPORT

The directors of Wridgways Australia Limited ("Wridgways") submit herewith the annual financial report for the financial year ended 30 June 2004. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the company during or since the end of the financial year are:

Anthony W Whatmore
Bryan D Weir
James A Brown
Desmond F Stickland
Brian C Clarke

The above named directors held office during and since the end of the financial year.

Particulars of the directors of the company during or since the end of the financial year are set out on the attached page (which forms part of the Directors' Report).

Principal Activities

The consolidated entity's principal activities in the course of the financial year were the provision of removal and storage services.

During the financial year there was no significant change in the nature of those activities.

Review Of Operations

The consolidated net profit for the year was \$2,517,468 (2003: \$2,216,587).

A full review of operations is contained in the Managing Director's Report (which forms part of the Directors' Report).

Changes In State Of Affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

Subsequent Events

There has not been any other matter or circumstance, other than those referred to in the financial statements, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

WRIDGWAYS AUSTRALIA LIMITED

DIRECTORS' REPORT

(Continued)

Future Developments

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Dividends

In respect of the financial year ended 30 June 2003, as detailed in the Directors' Report for that financial year, a final dividend of \$960,000 (3 cents per share) franked to 100% at the 30% corporate income tax rate was declared on 26 August 2003. This dividend was paid to the holders of fully paid ordinary shares on 3 October 2003.

In respect of the financial year ended 30 June 2004:

- An interim dividend of \$640,000 (2.0 cents per share) franked to 100% at the 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 19 March 2004.
- The Board of Directors declared a final dividend on 26 August 2004 of \$960,000 (3 cents per share) franked to 100% at the 30% corporate income tax rate to the holders of fully paid ordinary shares. Record date for determining entitlement to the dividend is 24 September 2004 and the dividend will be paid on 1 October 2004. This dividend has not been provided for in the financial statements at 30 June 2004.

Environmental Issues

The consolidated entity operates within the transport industry and conducts its business activities with respect for the environment while continuing to meet the expectations of shareholders, customers, employees and suppliers.

During the current period under review, the directors are not aware of any particular or significant environmental issues which have been raised in relation to the consolidated entity's operations.

Share Options

During and since the end of the financial year no share options were granted and none are on issue.

Indemnification Of Officers And Auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company, and all office bearers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Wridgways, to the extent permitted by law, indemnifies each Director or Secretary against any liability which results from their service as an officer of Wridgways or a subsidiary of Wridgways which does not arise out of conduct involving a lack of good faith and for costs incurred in defending proceedings in which judgment is given in favour of the director.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

WRIDGWAYS AUSTRALIA LIMITED

DIRECTORS' REPORT

(Continued)

Directors' Shareholdings

The following table sets out each director's relevant interest in shares of the company as at the date of this report:

Director	Fully Paid Ordinary Shares
A W Whatmore	130,000
B D Weir	47,000
J A Brown	30,000
D F Stickland	3,690,000
B C Clarke	1,904,145

Directors' Meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 7 Board of Directors meetings, 2 Audit Committee meetings and 1 Remuneration Committee meeting were held.

Name of Director	Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	No of Meetings Held	No of Meetings Attended	No of Meetings Held	No of Meetings Attended	No of Meetings Held	No of Meetings Attended
A W Whatmore	7	7	2	2	1	1
B D Weir	7	5	2	2	1	1
J A Brown	7	7	2	2	1	1
D F Stickland	7	7	-	-	-	-
B C Clarke	7	7	2	2	-	-

WRIDGWAYS AUSTRALIA LIMITED

DIRECTORS' REPORT

(Continued)

Directors' and Executives' Remuneration


A discussion of the broad policy for determining the nature and amount of remuneration of Directors and Executive Officers is contained in the attached Corporate Governance Statement.

The following table discloses the remuneration of the directors of the company and the five highest remunerated executives of the company:

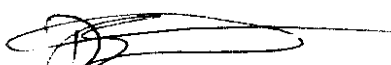
Name & Office	Primary Benefits			Post	Total
	Salary & Fees	Bonus	Other Benefits	Employment Super-annuation	
	\$	\$	\$	\$	\$
Non-Executive Directors					
A W Whatmore	60,000	-	-	5,400	65,400
B D Weir	31,000	-	-	2,700	33,700
J A Brown	32,700	-	-	-	32,700
Executive Directors					
D F Stickland	206,140	-	41,892	26,798	274,830
B C Clarke	147,500	-	34,251	19,175	200,926
Executive Officers					
D P Sutton	152,500	25,000	2,541	16,750	196,791
J V Ford	93,000	17,000	53,693	16,928	180,621
S J Crowle	118,050	-	29,310	18,347	165,707
G Harrang	132,000	-	18,765	23,160	173,925
J L Clayton	91,992	-	41,608	20,667	154,267

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Mr A W Whatmore
Chairman



Mr D F Stickland
Managing Director

MELBOURNE

Date: 26 August 2004

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WRIDGWAYS AUSTRALIA LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cashflows, accompanying notes to the financial statements, and the directors' declaration for both Wridgways Australia Limited (the company) and the consolidated entity, for the financial year ended 30 June 2004 as set out on pages 6 to 33. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Corporations Act 2001 and Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

The audit opinion expressed in this report has been formed on the above basis.

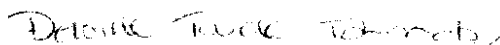
Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Wridgways Australia Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.


DELOITTE TOUCHE TOHMATSU

S PELUSI
Partner
Chartered Accountants

26 August 2004

WRIDGWAYS AUSTRALIA LIMITED

DIRECTORS' DECLARATION

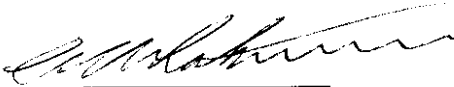
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

The directors declare that:


- a) The attached financial statements and notes thereto comply with Accounting Standards;
- b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company and the consolidated entity;
- c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- d) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Mr A W Whatmore
Chairman



Mr D F Stickland
Managing Director

MELBOURNE

Date: 26 August 2004

WRIDGWAYS AUSTRALIA LIMITED

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	<u>Note</u>	<u>Consolidated</u>		<u>Company</u>	
		<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Sales revenue		82,438,725	71,001,228	-	-
Other revenue		149,693	122,049	5,634,866	5,207,793
Freight and direct expenses		(54,993,997)	(46,153,423)	(564,717)	(520,540)
Occupancy expenses		(4,597,214)	(3,975,068)	-	-
Sales and administration expenses		(19,057,436)	(17,498,975)	(2,457,153)	(2,157,710)
Borrowing costs		<u>(280,027)</u>	<u>(262,864)</u>	<u>(280,027)</u>	<u>(262,864)</u>
Profit From Ordinary Activities Before					
Income Tax Expense	2	3,659,744	3,232,947	2,332,969	2,266,679
Income tax expense relating to ordinary activities	5	<u>(1,142,276)</u>	<u>(1,016,360)</u>	<u>(219,891)</u>	<u>(248,004)</u>
Net Profit	24	<u>2,517,468</u>	<u>2,216,587</u>	<u>2,113,078</u>	<u>2,018,675</u>
Total Changes in Equity Other than those					
Resulting from Transactions with Owners as Owners		<u>2,517,468</u>	<u>2,216,587</u>	<u>2,113,078</u>	<u>2,018,675</u>
Earnings Per Share					
Basic (cents per share)	27	7.87	6.93		

Notes to the financial statements are included on pages 10 to 33

WRIDGWAYS AUSTRALIA LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	<u>Note</u>	<u>Consolidated</u>		<u>Company</u>	
		<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Current Assets					
Cash assets		2,140,594	1,396,435	-	-
Receivables	8	6,739,959	5,973,820	3,832	1,494
Inventories	9	259,585	232,661	-	-
Other	10	<u>1,191,384</u>	<u>999,721</u>	<u>23,629</u>	<u>-</u>
Total Current Assets		<u>10,331,522</u>	<u>8,602,637</u>	<u>27,461</u>	<u>1,494</u>
Non-Current Assets					
Investments	11	-	-	11,688,898	11,688,898
Plant and equipment	12	2,415,773	2,753,100	1,163,601	1,396,953
Intangibles	13	9,529,138	9,644,544	-	-
Deferred tax assets	14	<u>799,431</u>	<u>732,365</u>	<u>118,293</u>	<u>100,069</u>
Total Non-Current Assets		<u>12,744,342</u>	<u>13,130,009</u>	<u>12,970,792</u>	<u>13,185,920</u>
Total Assets		<u>23,075,864</u>	<u>21,732,646</u>	<u>12,998,253</u>	<u>13,187,414</u>
Current Liabilities					
Payables	15	9,083,342	8,792,807	-	-
Interest-bearing liabilities	16	-	-	90,675	916,770
Current tax liabilities	17	276,086	273,272	86,957	116,833
Provisions	18	<u>1,317,236</u>	<u>1,181,877</u>	<u>227,094</u>	<u>168,646</u>
Total Current Liabilities		<u>10,676,664</u>	<u>10,247,956</u>	<u>404,726</u>	<u>1,202,249</u>
Non-Current Liabilities					
Payables	19	-	-	5,441,170	5,324,682
Interest-bearing liabilities	20	3,000,000	3,000,000	3,000,000	3,000,000
Deferred tax liabilities	21	176,597	265,290	69,612	93,116
Provisions	22	<u>992,390</u>	<u>906,655</u>	<u>167,211</u>	<u>164,911</u>
Total Non-Current Liabilities		<u>4,168,987</u>	<u>4,171,945</u>	<u>8,677,993</u>	<u>8,582,709</u>
Total Liabilities		<u>14,845,651</u>	<u>14,419,901</u>	<u>9,082,719</u>	<u>9,784,958</u>
Net Assets		<u>8,230,213</u>	<u>7,312,745</u>	<u>3,915,534</u>	<u>3,402,456</u>
Equity					
Contributed equity	23	1,500,000	1,500,000	1,500,000	1,500,000
Retained profits	24	<u>6,730,213</u>	<u>5,812,745</u>	<u>2,415,534</u>	<u>1,902,456</u>
Total Equity		<u>8,230,213</u>	<u>7,312,745</u>	<u>3,915,534</u>	<u>3,402,456</u>

Notes to the financial statements are included on page 10 to 33

WRIDGWAYS AUSTRALIA LIMITED

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR 30 JUNE 2004

	<u>Note</u>	<u>Consolidated</u>		<u>Company</u>	
		<u>Inflow/(Outflow)</u>	<u>Inflow/(Outflow)</u>	<u>Inflow/(Outflow)</u>	<u>Inflow/(Outflow)</u>
		<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cash Flows From Operating Activities					
Receipts from customers		81,739,911	69,638,667	5,598,274	5,160,568
Payments to suppliers and employees		(77,463,036)	(66,724,277)	(2,622,993)	(2,364,062)
Interest received		42,444	37,783	-	55
Interest paid		(280,027)	(262,864)	(280,027)	(262,864)
Income tax paid		(1,295,221)	(1,395,147)	(291,495)	(381,238)
Net cash provided by operating activities	28(b)	<u>2,744,071</u>	<u>1,294,162</u>	<u>2,403,759</u>	<u>2,152,459</u>
Cash Flows From Investing Activities					
Payment for plant and equipment		(485,111)	(1,094,470)	(130,744)	(402,966)
Proceeds from sale of plant & equipment		<u>85,199</u>	<u>67,301</u>	<u>36,592</u>	<u>47,458</u>
Net cash used in investing activities		<u>(399,912)</u>	<u>(1,027,169)</u>	<u>(94,152)</u>	<u>(355,508)</u>
Cash Flows From Financing Activities					
Repayment of borrowings		-	-	-	-
Loans repaid by wholly-owned controlled entities		-	-	116,488	-
Loans to wholly-owned controlled entities		-	-	-	(361,514)
Dividends paid		(1,600,000)	(1,440,000)	(1,600,000)	(1,440,000)
Repayment of finance lease		-	-	-	-
Net cash used in financing activities		<u>(1,600,000)</u>	<u>(1,440,000)</u>	<u>(1,483,512)</u>	<u>(1,801,514)</u>
Net Increase/(Decrease) In Cash Held		744,159	(1,173,007)	826,095	(4,563)
Cash At The Beginning Of The Financial Year		<u>1,396,435</u>	<u>2,569,442</u>	<u>(916,770)</u>	<u>(912,207)</u>
Cash At The End Of The Financial Year	28(a)	<u>2,140,594</u>	<u>1,396,435</u>	<u>(90,675)</u>	<u>(916,770)</u>

Notes to the financial statements are included on pages 10 to 33

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

1. SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial report has been prepared on the basis of historical cost and, except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby, ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Principles of Consolidation

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its controlled entities as defined in Accounting Standard AASB 1024 "Consolidated Accounts". A list of controlled entities appears in Note 33 to the financial statements. Consistent accounting policies have been employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(b) Revenue Recognition

Revenue from the provision of removal services is recognised when the freight is delivered.

Revenue from the provision of storage services is recognised over the period of storage.

Dividend revenue is recognised on a receivable basis. Interest and rental revenue is recognised on an accrual basis.

(c) Income Tax

Tax effect accounting principles have been adopted whereby income tax expense is calculated on pre-tax accounting profits after adjustment for permanent differences. The tax effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates as deferred tax assets and deferred tax liabilities, as applicable.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(e) Receivables

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value.

(g) Investments

Investments in controlled entities are recorded at cost.

(h) Depreciation

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

- | | |
|-----------------------|--------------|
| • Transport fleet | 5 – 7 years |
| • Plant and equipment | 3 - 10 years |

(i) Leased Assets

Leased assets classified as finance leases are recognised as assets. The amount initially brought to account is the present value of minimum lease payments.

A finance lease is one which effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property. Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period.

Operating lease payments are charged as an expense on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

(j) Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable net assets acquired (in respect of the business of Wridgways Limited) is amortised on a straight line basis over a period of 20 years.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(k) Brand Name

The consolidated entity's brand name, Wridgways, is recorded at cost of acquisition. The Directors give due consideration to the technical and commercial life of the brand name to determine its useful life and take into account that it has been in existence for over 100 years. In the opinion of the Directors, the brand name does not have a finite useful life and, accordingly, it has not been subject to amortisation.

The Directors regularly review the carrying value of the brand name to ensure its carrying value does not exceed its recoverable amount.

The brand name was recognised at its fair value on the acquisition of the business of Wridgways Limited on the basis of an independent valuation prepared by Grant Thornton Corporate (NSW) Pty Limited dated 27 October 1998. The basis of the valuation was the relief from franchise fee method.

(l) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

(m) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(n) Interest-Bearing Liabilities

Bills of exchange are recorded at an amount equal to the net proceeds received, with the premium or discount amortised over the period until maturity. Interest expense is recognised on an effective yield basis.

Bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

(o) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provision for Dividend

A provision for dividend is recognised in the financial year in which the dividend is declared, determined or publicly recommended.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(p) Employee Entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of wages and salaries, annual leave and long service leave expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of long service leave which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to the reporting date.

(q) Financial Instruments Issued by the Company

Debt and Equity Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Interest and Dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments.

(r) Foreign Currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date.

Exchange differences are recognised in the net profit or loss in the period in which they arise except that:

- i. exchange differences which relate to assets under construction for future productive use are included in the cost of those assets; and
- ii. exchange differences on transactions entered into in order to hedge the purchase or sale of specific goods and services are deferred and included in the measurement of the purchase or sale.

(s) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(t) Impact of Adopting Australian Equivalents to IFRS

In accordance with the Financial Reporting Council's strategic directive, Wridgways will be required to prepare financial statements that comply with Australian equivalents to International Financial Reporting Standards ("A-IFRS") for annual reporting periods beginning on or after 1 January 2005. Accordingly, Wridgways first half-year report prepared under A-IFRS will be for the half-year reporting period ended 31 December 2005, and its first annual financial report prepared under A-IFRS will be for the year ended 30 June 2006.

During the year, the directors conducted a high-level scoping exercise to obtain an idea of the effect and effort involved in adopting A-IFRS on the consolidated entity. Part of the scoping exercise involved identifying key areas of impact that will arise on adoption of A-IFRS including financial impact, effort required, and options available to the consolidated entity on first-time adoption of A-IFRS. Now that the consolidated entity has this information, it intends to determine the approximate impact and best options for the consolidated entity for future reporting periods.

The directors believe Wridgways will be able to achieve its plan for A-IFRS implementation such that financial statements which are fully compliant with A-IFRS will be able to be prepared.

Wridgways has identified the following as being the significant areas of differences affecting the consolidated entity on adoption of A-IFRS. This does not represent an exhaustive list of the differences that will arise, and further analysis may change the consolidated entity's assessment of the importance or otherwise of the various differences.

i) First-time adoption of A-IFRS

On first-time adoption of A-IFRS, the consolidated entity will be required to restate its comparative balance sheet such that the comparative balances presented comply with the requirements specified in the A-IFRS. That is, the balances that will be presented in the financial report for the year ended 30 June 2005 may not be the balances that will be presented as comparative numbers in the financial report for the following year, as a result of the requirement to retrospectively apply A-IFRS. In addition, certain assets and liabilities may not qualify for recognition under A-IFRS, and will need to be derecognised. As any adjustments on first-time adoption are to be made against opening retained earnings, the amount of retained earnings at 30 June 2004 presented in the 2005 financial report and the 2006 financial report available to be paid out as dividends may differ.

Various voluntary and mandatory exemptions are available to the consolidated entity on first-time adoption, which will not be available on an ongoing basis. The exemptions provide relief from retrospectively accounting for certain balances, instruments and transactions in accordance with A-IFRS, and includes relief from having to restate past business combinations and the identification of a 'deemed cost' for property, plant and equipment.

The impact on Wridgways of the changes in accounting policies on first-time adoption of A-IFRS will be affected by the choices made. The consolidated entity is evaluating the effect of the options available on first-time adoption in order to determine the best possible outcome for the consolidated entity.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(t) Impact of Adopting Australian Equivalents to IFRS (continued)

ii) Impairment of assets

Non-current assets are written down to recoverable amount when the asset's carrying amount exceeds recoverable amount. Under A-IFRS, both current and non-current assets are tested for impairment. In addition, A-IFRS has a more prescriptive impairment test, and requires discounted cash flows to be used where value in use is used to assess recoverable amount. Consequently, on adoption of A-IFRS, an impairment of certain assets may need to be recognised, thereby decreasing opening retained earnings and the carrying amount of assets.

The directors are of the view that impairment losses are unlikely between the date of this report and the date of adoption of A-IFRS.

iii) Business Combinations

Where consolidated financial statements are prepared, the assets and liabilities purchased are initially recognised at their fair values in the consolidated financial statements. There are a number of recognition and measurement differences that may result in changes to the value of assets and liabilities acquired in a business combination, particularly in relation to deferred tax balances, intangible assets and contingent liabilities.

The impact of these changes in accounting policy on first-time adoption will depend on whether the consolidated entity elects to adopt the exemption available to it to not reopen past acquisitions and retrospectively account for them in accordance with the new requirements. On an ongoing basis, this change in policy may affect the profit and loss and balance sheet.

iv) Goodwill

As disclosed in note 1(j), goodwill is currently amortised over a 20 year period. A-IFRS does not permit goodwill to be amortised, but instead requires the carrying amount to be tested for impairment at least annually. Goodwill currently recognised in the balance sheet, adjusted if necessary on the optional restatement of business combinations, must be allocated to individual cash-generating units (or groups of cash-generating units) and tested for impairment at the allocated level. This change in policy may impact the profit and loss to the extent that impairment losses are likely to occur.

The directors are of the view that impairment losses are unlikely between the date of this report and the date of adoption of A-IFRS.

v) Brandnames

Identifiable intangibles with indefinite useful lives such as brandnames must be tested for impairment each year. The intangible must be allocated to individual cash generating units (or groups of cash generating units) and tested for impairment at that level. If the intangible has an indefinite useful life then it must not be amortised. The change in policy will impact the profit and loss to the extent that impairment losses are likely to occur.

The directors are of the view that impairment losses are unlikely between the date of this report and the date of adoption of A-IFRS.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(t) Impact of Adopting Australian Equivalents to IFRS (continued)

vi) Income Taxes

Entities are required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than accounting for the effects of timing and permanent differences between taxable income and accounting profit.

Because A-IFRS has a wider scope than Wridgways current accounting policies, it is likely that the amount of deferred taxes recognised in the balance sheet will increase. In particular, significant increases in deferred tax liabilities are anticipated in relation to deferred taxes associated with intangibles.

vii) Property, Plant and Equipment

On transition to A-IFRS, the consolidated entity has several options in the determination of the cost of each tangible asset, and can also elect to use the cost or fair value basis for the measurement of each class of property, plant and equipment after transition. At the date of this report, the directors have not decided which options and measurement basis will be adopted and the likely impacts therefore cannot be determined.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
2. PROFIT FROM ORDINARY ACTIVITIES				
Profit from ordinary activities before income tax includes the following items of revenue and expense:-				
(a) Revenue				
<i>Operating Revenue</i>				
Sales revenue (rendering of services)	82,438,725	71,001,228	-	-
Dividends:				
Wholly-owned controlled entity	-	-	1,600,000	1,440,000
Rental revenue	22,050	16,965	-	-
Interest revenue	42,444	37,783	-	55
Management fees:				
Wholly-owned controlled entity	-	-	<u>3,998,274</u>	<u>3,720,280</u>
	<u>82,503,219</u>	<u>71,055,976</u>	<u>5,598,274</u>	<u>5,160,335</u>
<i>Non-Operating Revenue</i>				
Proceeds from sale of assets:				
Non-current plant and equipment	<u>85,199</u>	<u>67,301</u>	<u>36,592</u>	<u>47,458</u>
Total Revenue	<u>82,588,418</u>	<u>71,123,277</u>	<u>5,634,866</u>	<u>5,207,793</u>
(b) Expenses				
Borrowing Costs:				
Interest	239,861	227,864	239,861	227,864
Other borrowing costs	<u>40,166</u>	<u>35,000</u>	<u>40,166</u>	<u>35,000</u>
	280,027	262,864	280,027	262,864
Bad debts written off	11,498	24,974	-	-

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
2. PROFIT FROM ORDINARY ACTIVITIES (Continued)				
Depreciation and amortisation of non-current assets:				
Transport fleet	363,355	341,032	363,355	341,032
Plant and equipment	<u>427,205</u>	<u>356,374</u>	<u>-</u>	<u>-</u>
	790,560	697,406	363,355	341,032
Goodwill	<u>115,406</u>	<u>115,406</u>	<u>-</u>	<u>-</u>
	<u>905,966</u>	<u>812,812</u>	<u>363,355</u>	<u>341,032</u>
Operating lease rentals	4,752,772	4,428,038	201,362	179,220
Net transfers to/(from) provisions:				
Employee entitlements	221,094	10,405	60,748	(23,102)
Net foreign exchange loss	39,219	38,037	-	-
3. SALES OF ASSETS				
Sales of assets in the ordinary course of business have given rise to the following profits and losses:				
Net Profits:				
Plant and equipment	53,321	67,012	35,851	47,170
4. REMUNERATION OF AUDITORS				
Auditor of the parent entity:				
Auditing the financial report	63,000	59,500	-	-
Other services	<u>33,068</u>	<u>43,340</u>	<u>-</u>	<u>-</u>
	<u>96,068</u>	<u>102,840</u>	<u>-</u>	<u>-</u>

WRIDGWAYS AUSTRALIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004**

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
5. INCOME TAX				
(a) The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:				
Profit from ordinary activities before income tax	<u>3,659,744</u>	<u>3,232,947</u>	<u>2,332,969</u>	<u>2,266,679</u>
Income tax expense calculated at 30%	1,097,923	969,884	699,891	680,004
Permanent differences:				
Amortisation of goodwill	34,622	34,622	-	-
Non deductible expenses	9,731	6,396	-	-
Rebateable dividend	-	-	(480,000)	(432,000)
(Over)/under provision of income tax in previous year	<u>-</u>	<u>5,458</u>	<u>-</u>	<u>-</u>
Income tax expense attributable to operating profit	<u>1,142,276</u>	<u>1,016,360</u>	<u>219,891</u>	<u>248,004</u>
(b) Future income tax benefits not brought to account as assets:				
Tax losses - capital	<u>98,875</u>	<u>98,875</u>	<u>-</u>	<u>-</u>

The taxation benefits of tax losses not brought to account will only be obtained if:

- (i) assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
- (ii) the conditions for deductibility imposed by the law are complied with; and
- (iii) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

(c) Tax Consolidation

Legislation to allow groups, comprising a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was substantively enacted on 21 October 2003. This legislation, which includes both mandatory and elective elements, is applicable to the company.

At the date of this report the directors have not assessed the financial effect, if any, the legislation may have on the company and the consolidated entity and, accordingly, the directors have not made a decision whether or not to elect to be taxed as a single entity. The financial effect of the implementation of the tax consolidation system on the company and consolidated entity has not been recognised in the financial statements.

In the event that the tax consolidation system is implemented, it is intended that Wridgways Australia Ltd will compensate its wholly-owned subsidiaries for the carrying amount of deferred tax balances transferred to it as the head tax paying entity.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

6. DIRECTORS' AND EXECUTIVES' REMUNERATION

The specified directors of Wridgways Australia Limited during the year were:

- Anthony W Whatmore (Chairman, Non-Executive)
- Bryan D Weir (Non-Executive)
- James A Brown (Non-Executive)
- Desmond F Stickland (Chief Executive Officer)
- Brian C Clarke (Finance Director)

The specified executives of Wridgways Australia Limited during the year were:

- Des P Sutton (General Manager, Move Dynamics)
- John V Ford (State Manager, Queensland)
- Steven J Crowle (State Manager, Victoria & Tasmania)
- Grant Harrang (State Manager, New South Wales)
- John L Clayton (Group International Manager)

Specified Directors and Executive Remuneration

The remuneration committee reviews the remuneration policies applicable to all specified directors and specified executives on an annual basis and makes recommendations on remuneration packages to the board. Remuneration packages are reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries, adjusted by a performance factor to reflect changes in the performance of the consolidated entity.

Remuneration packages which consist of base salary, fringe benefits, incentive schemes, (including performance related bonuses based on the performance of the respective specified executive's division compared to budget) superannuation and entitlements upon retirement and termination are reviewed with due regard to performance and other relevant factors.

2004	Primary Benefits			Post Employment	Total
	Salary & Fees	Bonus (i)	Other	Superannuation	
	\$	\$	\$	\$	\$
Specified Directors					
A W Whatmore	60,000	-	-	5,400	65,400
B D Weir	31,000	-	-	2,700	33,700
J A Brown	32,700	-	-	-	32,700
D F Stickland	206,140	-	41,892	26,798	274,830
B C Clarke	147,500	-	34,251	19,175	200,926
	477,340	-	76,143	54,073	607,556
Specified Executives					
D P Sutton	152,500	25,000	2,541	16,750	196,791
J V Ford	93,000	17,000	53,693	16,928	180,621
S J Crowle	118,050	-	29,310	18,347	165,707
G Harrang	132,000	-	18,765	23,160	173,925
J L Clayton	91,992	-	41,608	20,667	154,267
	587,542	42,000	145,917	95,852	871,311

- (i) D Sutton and J Ford were granted a cash bonus on 26 August 2003. The bonus was given based on the performance of the respective specified executive's division compared to budget.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

7. DIVIDENDS

	2004		2003	
	Cents per share	Total \$	Cents per share	Total \$
Fully Paid Ordinary shares				
<i>Recognised amounts</i>				
Final dividend in respect of the prior financial year				
– Franked to 30%	3.0	960,000	3.0	960,000
Interim dividend in respect to the current financial year				
– Franked to 30%	2.0	<u>640,000</u>	1.5	<u>480,000</u>
		<u>1,600,000</u>		<u>1,440,000</u>
<i>Unrecognised amounts</i>				
Final dividend in respect of the current financial year				
– Franked to 30%	3.0	<u>960,000</u>	3.0	<u>960,000</u>
		Consolidated		Company
	2004	2003	2004	2003
	\$	\$	\$	\$
Adjusted franking account balance (tax paid basis)	<u>4,659,318</u>	<u>4,112,753</u>	<u>1,163,797</u>	<u>910,425</u>

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
8. CURRENT RECEIVABLES				
Trade receivables	6,782,308	5,981,530	-	-
Allowance for doubtful debts	<u>(131,772)</u>	<u>(131,676)</u>	-	-
	6,650,536	5,849,854	-	-
Other receivables	<u>89,423</u>	<u>123,966</u>	<u>3,832</u>	<u>1,494</u>
	<u>6,739,959</u>	<u>5,973,820</u>	<u>3,832</u>	<u>1,494</u>
9. CURRENT INVENTORIES				
<u>At cost</u>				
Consumables	<u>259,585</u>	<u>232,661</u>	-	-
10. OTHER CURRENT ASSETS				
Prepayments	<u>1,191,384</u>	<u>999,721</u>	<u>23,629</u>	-
11. NON-CURRENT INVESTMENTS				
Non-quoted Investments				
<u>At cost</u>				
Shares in wholly-owned controlled entity (Note 34)	-	-	<u>11,688,898</u>	<u>11,688,898</u>

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

12. PLANT AND EQUIPMENT

	Plant & Equipment	Transport Fleet	Total
	Consolidated		
	\$	\$	\$
Gross Carrying Amount (at cost)			
Balance at 30 June 2003	3,011,288	3,025,532	6,036,820
Additions	354,367	130,744	485,111
Disposals	(44,195)	(6,012)	(50,207)
Balance at 30 June 2004	3,321,460	3,150,264	6,471,724
Accumulated Depreciation			
Balance at 30 June 2003	1,655,141	1,628,579	3,283,720
Depreciation expense	427,205	363,355	790,560
Disposals	(13,058)	(5,271)	(18,329)
Balance at 30 June 2004	2,069,288	1,986,663	4,055,951
Net Book Value			
As at 30 June 2003	1,356,147	1,396,953	2,753,100
As at 30 June 2004	1,252,172	1,163,601	2,415,773
	Company		
	\$	\$	\$
Gross Carrying Amount (at cost)			
Balance at 30 June 2003	211,893	3,025,532	3,237,425
Additions	-	130,744	130,744
Disposals	-	(6,012)	(6,012)
Balance at 30 June 2004	211,893	3,150,264	3,362,157
Accumulated Depreciation			
Balance at 30 June 2003	211,893	1,628,579	1,840,472
Depreciation expense	-	363,355	363,355
Disposals	-	(5,271)	(5,271)
Balance at 30 June 2004	211,893	1,986,663	2,198,556
Net Book Value			
As at 30 June 2003	-	1,396,953	1,396,953
As at 30 June 2004	-	1,163,601	1,163,601

Aggregate depreciation allocated during the year is recognised as an expense and disclosed in Note 2 to the financial statements.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
13. INTANGIBLES				
Goodwill: At cost	2,308,129	2,308,129	-	-
Accumulated amortisation	<u>(778,991)</u>	<u>(663,585)</u>	<u>-</u>	<u>-</u>
	<u>1,529,138</u>	<u>1,644,544</u>	<u>-</u>	<u>-</u>
Brand Name: At cost (Note 1(k))	<u>8,000,000</u>	<u>8,000,000</u>	<u>-</u>	<u>-</u>
	<u>9,529,138</u>	<u>9,644,544</u>	<u>-</u>	<u>-</u>
Aggregate amortisation allocated during the year is recognised as an expense and disclosed in Note 2 to the financial statements.				
14. DEFERRED TAX ASSETS				
Future income tax benefit - Timing differences	<u>799,431</u>	<u>732,365</u>	<u>118,293</u>	<u>100,069</u>
15. CURRENT PAYABLES				
Unsecured:				
Trade payables and accruals	9,083,342	<u>8,792,807</u>	<u>-</u>	<u>-</u>
16. CURRENT INTEREST-BEARING LIABILITIES				
Secured:				
Bank overdraft (i)	<u>-</u>	<u>-</u>	<u>90,675</u>	<u>916,770</u>
(i) Secured by a fixed and floating charge and guarantees over the assets of the company and its wholly-owned controlled entities.				

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
17. CURRENT TAX LIABILITIES				
Income tax payable	<u>276,086</u>	<u>273,272</u>	<u>86,957</u>	<u>116,833</u>
18. CURRENT PROVISIONS				
Employee entitlements	<u>1,317,236</u>	<u>1,181,877</u>	<u>227,094</u>	<u>168,646</u>
19. NON-CURRENT PAYABLES				
Unsecured:				
Non-trade payable: wholly-owned controlled entities	<u>-</u>	<u>-</u>	<u>5,441,170</u>	<u>5,324,682</u>
20. NON-CURRENT INTEREST-BEARING LIABILITIES				
Secured:				
Bills of exchange (i)	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
(i) Secured by a fixed and floating charge and guarantees over the assets of the company and its wholly-owned controlled entities.				
21. DEFERRED TAX LIABILITIES				
Deferred income tax	<u>176,597</u>	<u>265,290</u>	<u>69,612</u>	<u>93,116</u>
22. NON-CURRENT PROVISIONS				
Employee entitlements	<u>992,390</u>	<u>906,655</u>	<u>167,211</u>	<u>164,911</u>

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
23. CONTRIBUTED EQUITY				
32,000,000 fully paid ordinary shares (2003: 32,000,000)	1,500,000	1,500,000	1,500,000	1,500,000

Ordinary share capital

Ordinary shares carry one vote per share and carry the right to dividends.

24. RETAINED PROFITS

Balance at beginning of financial year	5,812,745	5,036,158	1,902,456	1,323,781
Net profit	2,517,468	2,216,587	2,113,078	2,018,675
Dividends (Note 7)	<u>(1,600,000)</u>	<u>(1,440,000)</u>	<u>(1,600,000)</u>	<u>(1,440,000)</u>
Balance at end of financial year	<u>6,730,213</u>	<u>5,812,745</u>	<u>2,415,534</u>	<u>1,902,456</u>

25. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provision for employee entitlements:

Current (Note 18)	1,317,236	1,181,877	227,094	168,646
Non-Current (Note 22)	<u>992,390</u>	<u>906,655</u>	<u>167,211</u>	<u>164,911</u>
	<u>2,309,626</u>	<u>2,088,532</u>	<u>394,305</u>	<u>333,557</u>

	2004	2003	2004	2003
	No.	No.	No.	No.
Number of employees at end of the financial year	319	299	35	36

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
26. COMMITMENTS FOR EXPENDITURE				
Operating Leases				
Commitments under non-cancellable operating leases contracted for:				
<u>Premises (i)</u>				
Not longer than 1 year	3,825,706	4,074,727	-	-
Longer than 1 year and not longer than 5 years	9,766,655	10,994,641	-	-
Longer than 5 years	<u>3,195,597</u>	<u>4,768,852</u>	-	-
	<u>16,787,958</u>	<u>19,838,220</u>	-	-
<u>Plant & Equipment (ii)</u>				
Not longer than 1 year	222,323	463,328	222,323	463,328
Longer than 1 year and not longer than 5 years	190,958	127,463	190,958	127,463
Longer than 5 years	<u>456,004</u>	<u>135,204</u>	<u>456,004</u>	<u>135,204</u>
	<u>869,285</u>	<u>725,995</u>	<u>869,285</u>	<u>725,995</u>

Leasing Arrangements

(i) The consolidated entity leases a number of premises throughout Australia. The rental period of each individual lease agreement varies between 1 and 10 years with renewal options ranging from 2 to 5 years. The majority of lease agreements are subject to rental adjustments in line with movements in the Consumer Price Index or Market Rentals.

(ii) Consists of agreements for the leasing of containers, transport fleet and motor vehicles.

The lease agreement for containers is for 5 years. At the expiration of the lease agreement, the consolidated entity has the option to renew the lease for a further 2 year term or purchase the containers.

The lease agreements for the transport fleet and motor vehicles are for periods ranging from 4 to 7 years. These lease agreements do not include renewal options.

WRIDGWAYS AUSTRALIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004**

	2004	2003
	¢	¢
27. EARNINGS PER SHARE		
<i>Basic Earnings Per Share (cents)</i>	7.87	6.93
	2004	2003
	\$	\$
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Earnings (i)	2,517,468	<u>2,216,587</u>
(i) Earnings used in the calculation of basic earnings per share represents the net profit in the statement of financial performance.		
	2004	2003
	No	No
Weighted average number of ordinary shares	32,000,000	<u>32,000,000</u>

Diluted Earnings Per Share

Diluted earnings per share is the same as basic earnings per share. The consolidated entity has not issued any potential ordinary shares during the financial year and has no potential ordinary shares on issue.

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
28. NOTES TO THE STATEMENT OF CASH FLOWS				
(a) Reconciliation of Cash				
For the purpose of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:				
Cash assets	2,140,594	1,396,435	-	-
Bank overdraft	-	-	<u>(90,675)</u>	<u>(916,770)</u>
	<u>2,140,594</u>	<u>1,396,435</u>	<u>(90,675)</u>	<u>(916,770)</u>

WRIDGWAYS AUSTRALIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004**

	Consolidated		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
28. NOTES TO THE STATEMENT OF CASH FLOWS				
(Continued)				
(b) Reconciliation of net profit to net cash flows from operating activities				
Net Profit	2,517,468	2,216,587	2,113,078	2,018,675
(Profit)/loss on sale of plant and equipment	(53,321)	(67,012)	(35,851)	(47,170)
Depreciation and amortisation of plant and equipment	790,560	697,406	363,355	341,032
Amortisation of goodwill	115,406	115,406	-	-
(Increase)/decrease in assets:				
Receivables	(766,139)	(1,379,238)	(2,338)	(1,494)
Inventories	(26,924)	3,629	-	-
Prepayments	(191,663)	(79,967)	(23,629)	1,009
Deferred tax assets	(67,066)	(51,613)	(18,224)	8,280
Increase/(decrease) in liabilities:				
Payables	290,535	155,733	-	(3,257)
Current provisions	135,359	(19,840)	58,448	(45,276)
Current tax liabilities	2,814	(251,543)	(29,876)	(135,838)
Non-current provisions	85,735	30,245	2,300	22,174
Deferred tax liabilities	(88,693)	(75,631)	(23,504)	(5,676)
Net cash from operating activities	<u>2,744,071</u>	<u>1,294,162</u>	<u>2,403,759</u>	<u>2,152,459</u>
(c) Financing facilities				
Secured bill acceptance facility:				
Amount used	3,000,000	3,000,000	3,000,000	3,000,000
Amount unused	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>
	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>
Secured bank overdraft facility:				
Amount used	-	-	90,675	916,770
Amount unused	<u>1,000,000</u>	<u>1,000,000</u>	<u>909,325</u>	<u>83,230</u>
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

29. FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Objectives of Derivative Financial Instruments

The consolidated entity enters into a financial instrument to manage its exposure to interest rate risk being an interest rate swap to mitigate the risk of rising interest rates.

The consolidated entity does not enter into derivative financial instruments to manage its exposure to foreign exchange rate risk and does not enter into or trade derivative financial instruments for speculative purposes.

(c) Interest Rate Risk

The following table details the consolidated entity's exposure to interest rate risk:

	Average Interest Rate	Variable Interest Rate	Fixed Interest Rate Maturity		Non- Interest Bearing	Total
			Less than 1 Year	1 to 5 Years		
	%	\$	\$	\$	\$	\$
2004						
Financial Assets						
Cash assets	3.8	2,140,594	-	-	-	2,140,594
Receivables	-	-	-	-	6,739,959	6,739,959
		2,140,594	-	-	6,739,959	8,880,553
Financial Liabilities						
Payables	-	-	-	-	9,083,342	9,083,342
Current provisions	-	-	-	-	1,317,236	1,317,236
Non-current provisions	-	-	-	-	992,390	992,390
Bills of exchange	5.5	3,000,000	-	-	-	3,000,000
Interest rate contracts	6.6	(3,000,000)	-	3,000,000	-	-
		-	-	3,000,000	11,392,968	14,392,968
2003						
Financial Assets						
Cash assets	3.8	1,396,435	-	-	-	1,396,435
Receivables	-	-	-	-	5,973,820	5,973,820
		1,396,435	-	-	5,973,820	7,370,255
Financial Liabilities						
Payables	-	-	-	-	8,792,807	8,792,807
Current provisions	-	-	-	-	1,181,877	1,181,877
Non-current provisions	-	-	-	-	906,655	906,655
Bills of exchange	4.8	3,000,000	-	-	-	3,000,000
Interest rate contracts	6.6	(3,000,000)	-	3,000,000	-	-
		-	-	3,000,000	10,881,339	13,881,339

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

29. FINANCIAL INSTRUMENTS (Continued)

(d) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counterparts and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures risk on a fair value basis.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the consolidated entity's maximum exposure to credit risk, without taking account of the value of any collateral or other security obtained.

(e) Net Fair Value

Except as detailed in the following table, the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

The net fair values of financial assets and financial liabilities are determined as follows:

- the net fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

The following table details the net fair value of financial assets and financial liabilities:

Financial Liability	Carrying Amount		Net Fair Value	
	2004	2003	2004	2003
	\$	\$	\$	\$
Interest rate swaps	-	-	43,521	142,588

(f) Significant Terms and Conditions

The consolidated entity uses an interest rate swap to manage its interest rate exposure.

Under interest rate swap contracts, the consolidated entity agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the consolidated entity to mitigate the risk of rising interest rates.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts and forward interest rate contracts outstanding as at reporting date.

Outstanding Contracts	Average Interest Rate		Notional Principal Amount	
	2004	2003	2004	2003
	%	%	\$	\$
1 to 5 years	6.6	6.6	3,000,000	3,000,000

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

30. RELATED PARTY DISCLOSURES

(a) Equity Interests in Controlled Entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 33 to the financial statements.

(b) Specified Directors' and Specified Executives Remuneration

Details of specified directors' and specified executives remuneration are disclosed in Note 6 to the financial statements.

(c) Transactions Within the Wholly Owned Group

The ultimate parent entity in the wholly-owned group is Wridgways Australia Limited.

Details of dividend revenue derived by the parent entity from wholly-owned controlled entities is disclosed in Note 2 to the financial statements.

During the financial year Wridgways Australia Limited derived management fee income from its controlled entities, through the provision of administrative services at cost plus 5% to 30% (2003: 5% to 30%) and rental of the transport fleet at commercial rates, as disclosed in note 2 to the financial statements.

Amounts payable to wholly-owned controlled entities are disclosed in Note 19 to the financial statements.

(d) Transactions with Specified Directors' and Specified Executives

During the financial year, the consolidated entity provided removal and storage services to directors and specified executives (and their personally related entities), which were domestic or trivial in nature, on the same terms and conditions available to other employees and customers.

(e) Specified Directors' and Specified Executives Equity Holdings (Fully Paid Ordinary Shares)

	Balance at 1/07/03	Net Change (i)	Balance at 30/06/04
	No.	No.	No.
Specified Directors			
A W Whatmore	110,000	20,000	130,000
B D Weir	47,000	-	47,000
J A Brown	30,000	-	30,000
D F Stickland	3,690,000	-	3,690,000
B C Clarke	1,959,145	(55,000)	1,904,145
Specified Executives			
D P Sutton	1,565,775	(30,500)	1,535,275
J V Ford	850,000	(70,000)	780,000
S J Crowle	1,535,165	(95,000)	1,440,165
G Harrang	-	-	-
J L Clayton	2,133,332	-	2,133,332
	<u>11,920,417</u>	<u>(230,500)</u>	<u>11,689,917</u>

(i) No shares were granted as remuneration by the company.

WRIDGWAYS AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

31. SEGMENT INFORMATION

The consolidated entity operates in the transport industry (through the provision of removal and storage services) and operates only in Australia.

32. CONTINGENT LIABILITIES

Performance guarantees of \$ 264,501 (2003: \$341,664) are held by Westpac Banking Corporation on behalf of Wridgways Limited.

33. CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Ownership Interest	
		2004 %	2003 %
Parent Entity			
Wridgways Australia Limited (i)	Australia		
Controlled Entities			
Wridgways Limited	Australia	100	100
Wridgways Business Relocations Pty Ltd	Australia	100	100

(i) Wridgways Australia Limited is a listed public company operating in Australia.

34. NET TANGIBLE ASSETS PER SHARE

	2004	2003
	\$	\$
Consolidated net tangible assets per share	(\$0.04)	(\$0.07)

Net tangible assets of (\$1,298,925) [2003: (\$2,331,799)] consists of Net Assets of \$8,230,213 [2003: \$7,312,745] less Intangible Assets of \$ 9,529,138 (2003: \$9,644,544).

WRIDGWAYS AUSTRALIA LIMITED

**Additional Stock Exchange Information
(As at 13 August 2004)**

Number of Holders of Equity Securities

32,000,000 fully paid ordinary shares are held by 1,842 individual shareholders.
All issued ordinary shares carry one vote per share.

Distribution of Holders of Equity Securities

	Fully Paid Ordinary Shares
1 - 1,000	96
1,001 - 5,000	793
5,001 - 10,000	547
10,001 - 100,000	384
100,001 and over	22
	<hr/> 1842
Holdings less than a marketable parcel	28

Substantial Shareholders

Ordinary Shareholders	Fully Paid Ordinary Shares	
	Number	Percentage
D F & J Stickland	3,690,000	11.53%
Starbrite Consultants Pty Ltd	2,133,332	6.67%
B C & C A Clarke Investments Pty Ltd	1,904,145	5.95%
	<hr/> 7,727,477	24.15%

Twenty Largest Holders of Quoted Equity Securities

Ordinary Shareholders	Fully Paid Ordinary Shares	
	Number	Percentage
D F & J Stickland	3,690,000	11.53%
Starbrite Consultants Pty Ltd	2,133,332	6.67%
B C & C A Clarke Investments Pty Ltd	1,904,145	5.95%
D P Sutton	1,535,275	4.80%
S J & H N Crowle Pty Ltd	1,440,165	4.50%
Questor Financial Services Ltd	1,166,354	3.64%
Pook Investments Pty Ltd	780,000	2.44%
W C Anderson	500,910	1.57%
Steelport Industries Pty Ltd	253,705	0.79%
J A Boustead	232,332	0.73%
E B Hansen	193,600	0.61%
Dawson Corporate Investments Pty Ltd	163,782	0.51%
H Lee	162,200	0.51%
C Lovett	160,000	0.50%
Griffith Management Pty Ltd	145,000	0.45%
Questor Financial Services Ltd	140,700	0.44%
M M Horsfield	140,000	0.44%
Howard Securities Pty Ltd	140,000	0.44%
G W Goode	135,328	0.42%
Dormund Pty Ltd	127,489	0.40%
	<hr/> 15,144,317	47.34%

WRIDGWAYS AUSTRALIA LIMITED

**Additional Stock Exchange Information
(As at 13 August 2004)**

Company Secretary

Mr Brian C Clarke

Principal Registered Office

93 Heatherdale Road
Ringwood Victoria 3134
Telephone: (03) 9837 1700

Principal Administration Office

93 Heatherdale Road
Ringwood Victoria 3134
Telephone: (03) 9837 1700
Facsimile: (03) 9872 4063
Email: moving@wridgways.com.au
Website: <http://www.wridgways.com.au>

Share Registry

C/- Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Vic 3067
Telephone: (03) 9415 5000
Facsimile: (03) 9473 2500

Stock Exchange Listings

Wridgways Australia Limited's ordinary shares are quoted by the Australian Stock Exchange Limited.